(d) whether Government proposes to exempt Naphtha from excise duty to tide over the present crisis faced by Naphtha based power units in the country; and

(e) if not, what steps Government proposes to protect these power generating units?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH): (a) Yes, Sir. The price of Naphtha has increased from Rs. 34,898/Metric Tonne (MT) in March, 2007 to Rs. 46,148/MT in March, 2008.

(b) and (c) Yes, Sir. The increase in price of Naphtha has resulted in an increase in the variable cost component of the cost of generation in Naphtha based power plants. The variable component of the average cost of sale of energy has gone up from Rs. 5.96/kWh in 2006-07 to Rs. 7.37/kWh in 2007-08 (Provisional) in the case of Rajiv Gandhi Combined Cycle Power Station of NTPC Ltd.

(d) and (e) No, Sir. At present there is no proposal under consideration of Government to exempt Naphtha for generation of power from Excise duty. As the domestic price of Naphtha, which is determined based on its international price, has increased steeply, power generating units based on Naphtha, are increasingly opting for Re-gasified Liquefied Natural Gas (RLNG) so as to minimize the variable cost of generation of such units.

Development of hydro power in border areas

3667. DR. T. SUBBARAMI REDDY:
SHRI GIREESH KUMAR SANGHI:
SHRIMATI SUPRIYA SULE:

Will the Minister of POWER be pleased to state:

(a) whether, keeping in view the several hydro power projects lying within a distance of 10-15 kms. from the international border, Government is now planning to bring out a "Non Discriminatory" policy, to address the security concerns related with participation of foreign companies to tap the hydroelectric potential of Himalayan ranges, bordering China and Pakistan and other sensitive areas;

(b) if so, whether the Task Force on Hydro Power Development met in December, 2007 to finalize an interim policy for the same;

(c) if so, what are the main recommendations made by the Task Force; and

(d) by when its recommendations would be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH): (a) to (d) In the meeting of the Task Force on hydro project development held under the Chairmanship of Hon'ble Minister of Power on 12th December, 2007, it was agreed that a "Non Discriminatory" country policy addressing the security concerns for award of projects/ contracts in sensitive/border areas, applicable uniformly to all the Central Public Sector Undertakings (CPSUs)/State Public Sector Undertakings (SPSUs) and Private Sector Projects may be evolved and adopted by the Ministry of Home Affairs in consultation with the Ministry of External Affairs duly taking into account the requirements of multilateral funding agencies.